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From: Laurie Ortolano <laurieortolano@gmail.com>
Sent: Monday, November 28, 2022 9:10 AM
To: Klee, Patricia; Thibeaultd@nashunh.gov; Mayors Office Email
Cc: Board of Aldermen; Division Directors; Laura Colquhoun; allison; Pappas, Tracy (BPW)
Subject: Nashua's Leaders - Buck up and Stop Blaming Others

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Dear Alderman Thibeault, Alderwoman Klee and Mayor Donchess,

I received copies of the emails sent by both Ward 8 and Ward 3 Alderman and had the opportunity to listen to the Mayor's remarks at the November 22, 2022 Board of Alderman Meeting. Alderman Thibeault suggested in his ward email that folk listen to the Mayor's comments because "[it's a good listen and will help explain](#)". My perspective differs in that I found the Mayor's remarks to lack credibility and take ownership for the budget and tax increase, and the need for the assessment revaluation. In four years of attending meetings, I cannot recall a single problem where the Mayor exclaimed, "that on me, I made an error." He is the master of blame and always the virtuous victim. These are serious character flaws that do not exemplify leadership.

The Mayor stated in the BOA meeting that the budget increase was 4.1%, while Ms. Klee wrote to her constituent that the increase was 3.97%. Let's split the difference and go with 4%. What the public is not being told is that the Alderman moved another \$7,000,000 of unspent 2022 budget money into the 2023 budget rather than return the money to the taxpayers to reduce the high tax rate. This means the 2023 budget increased another 2.3% for a total increase of 6.3%. This is simply too high for the hardship experienced by property owners.

Combine this increase with the bonding that has occurred since July 2022 and this city is burning through money. Most households don't have money to burn.

All three leaders forgot to mention that the city lost control of the assessing data by waiting 30 years to perform a detailed property review. Professional organizations recommend the detailed review be performed every 7-10 years. Nashua was significantly outside this window. Additionally, the software used to model the property assessment had a flaw in that the depreciation calculated for older homes was tied to the wrong factor in the software. This caused older homes to be unfairly and inconsistently valued. The company that performed the 2018 update identified this problem and recommended the City correct the error in the next go-around.

Once again, the Mayor tries to blame the state for mandating a revaluation and stated in the BOA meeting:

...The revaluation is a state mandated State ordered revaluation one that we were required to do following a very detailed set of State rules state regulations and state laws - now it is not something that I would have chosen to do at this time..

These irresponsible and reckless remarks deters credible assessing people from working in Nashua. Who wants to work for a boss that just whines and badmouths a reasonable process and forces them to perform a critical job with flawed data?

Given NH's high reliance on taxes raised through property assessments to fund government, it is critical that municipalities try to get the data correct, maintaining it in a uniform and consistent manner. Mayor Donchess simply has no interest in maintaining quality, fair data.

Ms. Klee in her email newsletter, copies by Alderman Thibeault wrote:

"This assessment was an out-of-cycle assessment (assessments are only required once every 5 years)"

Ms. Klee is incorrect. Per RSA 75:8-a, the State of New Hampshire requires municipalities to conduct a revaluation update **at least every 5 years** not only once every 5 years. The "at least every 5 years" is based on the quality of the data and the quality of the assessments. Real estate values rarely change at the same rate for all property types and a rapidly rising or falling real estate market can result in significantly inequitable property assessments based on home type. In markets like this, municipalities cannot wait 5 years to reevaluation assessments. They must be corrected sooner. Ms. Klee failed to mention that. Mayor Donchess would happily ignore all this.

The goal is to keep assessments to within 10% of sales prices. Nashua's values were out of alignment by over 40%, with mobile homes, condos and ranches even higher than this.

Reviewing the historical Nashua Update data, (<https://www.nashuanh.gov/DocumentCenter/View/24137/Tax-Rate-History>) the former chief and past Mayor's conducted updates in 1997, 1998, 2000, 2004, 2005, 2007, 2009, 2013. Across 16 years, the Chief conducted 8 reassessments to bring assessment closer to market value well under the "*once every five year rule*" Ms. Klee is inaccurately claiming. In Nashua, past leadership recognized that responsible data management required updates within one, two, three or four years, not once every five years.

The Mayor is whining that he simply would ignore the fluctuations of the real estate market and leave the assessments skewed and unfair indefinitely. The Mayor needs to take responsibility and reduce spending to balance the skyrocketing assessments, shocking tax bills, and rising inflation. Stop blaming others.

Both Ward Alderman go on further to state:

This assessment was an out-of-cycle assessment (assessments are only required once every 5 years) that was mandated as a result of a citizen complaint with the Department of Revenue Administration. The FMC&L [full measure & list] itself cost over a million dollars. ([] added)

Once again, Ms. Klee and Mr. Thibeault wrongly shift the blame to a citizen for causing these hardships. Mayor Donchess and Attorney Bolton announced in a Board meeting that the City had always intended to conduct a full measure and list prior to 2022. In fact, in 2018, the Mayor asked the DRA to permit an extension past the five year window because the City wanted to do a full measure and list. The DRA would not permit this because it would set precedence to break the rule for other municipalities and Mayor Donchess, who had served as City Mayor for eight years prior, knew the rules and could have ordered the full measure and list in 2016 or 2017 when he took office. He failed to do so.

Additionally, the Mayor knew in 2018, after KRT Appraisals finished the last update, that the integrity of the process was violated. The City paid KRT \$500,000 to perform a statistical update. The most critical part of the update was to measure and list all properties sold within a specific time period to create the model to run this statistical update. Per contract, KRT was required to perform the measure and list of sold properties but failed to do so. (Mr. Duhamel, Nashua's former Assessing Chief, contributed to this violation and he separated from the City in March 2019)

The Mayor considered filing a lawsuit against KRT for breach of contract, but instead, let it go. Taxpayers paid for a contractually violated and inaccurate update. Instead, Mayor Donchess engaged in an all-out war, authorizing and executing non-negotiable, full blown legal battles, driven by vindictive and retaliatory emotions, with the citizen, who over time discovered serious problems in the assessing office and who was merely trying to correct an errant property assessment.

The DRA investigated the matter (the Mayor allowed the Nashua Ethics Committee to lapse, so no impartial, internal review could be conducted) and stripped the Vice President of KRT of his NH certification for one year based on his malfeasance in ignoring the contract terms. Assessing Chief Duhamel was also sanctioned by the DRA for failing to provide the oversight of the KRT contracted process required of the position as established by Assessing Standards Board regulations for Assessing Chiefs.

If the Mayor had just been reasonable and fair and corrected the citizen's property assessment, the state would have never been involved. Now, the entire State is looking closely at the operations of Nashua. Thankfully, the DRA has an "ethics committee" that could address what happened in Nashua, but no other State Agencies have any control over this type of malfeasance. The Attorney General's Office does not operate a municipal division and cannot accept complaints. The County Attorney's office cannot handle municipal matters and the Attorney Discipline Office of the Supreme Court cannot address malfeasance of attorneys within a municipal setting.

This is a local control matter that requires citizens to demand their elected officials carry out their financial responsibilities based on the current economic times. It requires citizens to file lawsuits to fix these problems. Next year's election will be upon us quickly and voters need to flush out this Mayor and many of the current Alderman and seat people of good moral character who believe in straight forward, plain-English communication centered on honesty.

Laurie Ortolano